

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 335 – HB 297

February 26, 2011

SUMMARY OF AMENDMENT (004415): Deletes the original bill. Creates the Tennessee Medication Therapy Monitoring and Management Act to authorize a pharmacist to determine that a drug interchange of anti-epileptic drugs used in the prevention of seizures is acceptable, provided that the prescriber is notified of the interchange. Authorized interchange does not include a therapeutic substitution and brand-to-brand interchange is acceptable only where the chemical in the brand versions is identical. The prescriber must write “Notify of Interchange” or “NOI” on all written or faxed prescriptions or enter the notation in the comments section of any electronic prescription order. Prescriber notification may be made verbally, by fax, or electronically and is in force only during the time that the prescription is valid. Requires a notification that is clearly not transmitted successfully to be subsequently retransmitted no later than the next business day upon learning that the notification was not delivered. Requires the pharmacist to notify the prescriber and the patient or patient’s representative prior to dispensing, if possible. This bill does not apply to prescriptions written for inpatients or outpatients of a hospital or patients at the time of their discharge from a hospital where the authorized provider writes the order into the hospital medical record, or residents of a nursing home, assisted care living facility, mental health hospital or residential facility, or any individual incarcerated in a local, state, or federal correctional facility.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$1,333,600/General Fund
Not Significant/Board of Pharmacy

Increase Federal Expenditures - \$2,615,900

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

NOT SIGNIFICANT

Assumptions applied to amendment:

- Under current law, a pharmacist is authorized to perform a drug interchange of anti-epileptic drugs, provided that the prescriber, patient, patient’s family member, other

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relative, a close personal friend, or any other person identified by the patient is notified of the exchange prior to dispensing.

- Authorizing a brand to brand substitution where the chemical in the brand versions is identical and requiring a pharmacist to provide notification of the interchange to the prescriber, patient or patient's representative prior dispensing but no later than the prescriber's next business day after dispensing, if a notification is requested by the prescriber, will not result in a significant impact to the number of anti-epileptic brand drugs that are currently paid for by the TennCare program.
- Rulemaking and any resulting disciplinary action against any pharmacist who violates the provisions of this bill can be accomplished during regularly scheduled Board of Pharmacy meetings and will not result in a significant increase in expenditures.
- Pursuant to Tenn. Code Ann. § 4-3-1011, all health-related boards are required to be self-supporting over a two-year period. The Board had a balance of \$74,641.74 in FY09-10 and a deficit of \$59,776.49 in FY08-09. As of June 30, 2010, the Board's cumulative balance was \$276,649.24.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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